

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7186

BILL NUMBER: HB 1443

NOTE PREPARED: Feb 10, 2013

BILL AMENDED: Feb 7, 2013

SUBJECT: Teacher Loan Repayment.

FIRST AUTHOR: Rep. Moed

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides an educational loan repayment for a public elementary or high school teacher who: (1) has been in the highest 20% of their high school graduating classes or in the top twentieth percentile on the SAT or ACT examination; (2) graduate from college with at least a 3.5 grade-point average; and (3) teach science, technology, engineering, mathematics, or special education, or in a critical shortage geographic area; in a public school in Indiana.

The bill provides that at the end of the third consecutive year the teacher teaches, the Commission for Higher Education makes a payment of \$9,000 or the balance of the teacher's student loans (whichever is lesser) directly to the financial institution that holds the teacher's student loans.

Effective Date: July 1, 2013.

Explanation of State Expenditures: (Revised) The bill creates the Teacher Loan Repayment Fund to attract qualified teachers to public schools to teach science, technology, engineering, mathematics, or special education or to teach in critical shortage areas by repaying student loans for these teachers. The bill would probably not have any significant impact for about seven years. [Eligibility is initially defined as a student who graduated from high school after June 30, 2013, which would then be followed by approximately four years of postsecondary education and three years of teaching.]

A loan repayment for a qualified teacher is the lesser of \$9,000 or the balance of the teacher's student loans. The loan repayment must be made directly to the financial institution that holds the teacher's student loans. The initial impact would probably be minor for the first several years, but could grow over time and would depend

on appropriations by the General Assembly. The teacher would have to meet educational performance criteria specified in the bill and teach for three years before the repayment could be made. For each 100 teachers that qualify for the maximum loan repayment, the impact would total \$900,000.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Education; Higher Education Commission; State colleges and universities.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.